

Wisconsin State Legislature

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Joint Committee on Finance *100TH ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: March 11, 2011

Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



WISCONSIN DEPARTMENT OF
ADMINISTRATION

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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February 28, 2011

RECEIVED
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BY: J. Finance

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of January 2011.

On January 1, 2011, the **General Fund** cash balance closed at a negative \$123.2 million (its intra-month low). This negative balance continued through January 4, 2011, when the fund's cash balance closed at a positive \$814.7 million. The negative balance was due to the difference in the timing of revenues and expenditures.

On January 1, 2011, the **Medical Assistance Trust Fund** cash balance closed at a negative \$172.4 million. This negative balance continued through January 31, 2011, when the fund's cash balance closed at a negative \$204.5 million. The **Medical Assistance Trust Fund** cash balance reached its intra-month low of a negative \$208.6 million on January 13, 2011. The negative balance was due to the difference in the timing of revenues and expenditures.

On January 1, 2011, the **Police and Fire Protection Fund** cash balance closed at a negative \$38.8 million (its intra-month low). This negative balance continued through January 31, 2011, when the fund's cash balance closed at a negative \$34.1 million. The negative balance was due to the difference in the timing of revenues and expenditures.

Referred to joint committee on Finance

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On January 1, 2011, the **Petroleum Inspection Fund** cash balance closed at a negative \$1.0 million. This negative balance continued through January 20, 2011, when the fund's cash balance closed at a positive \$2.1 million. The **Petroleum Inspection Fund** cash balance reached its intra-month low of a negative \$1.6 million on January 13, 2011. The negative balance was due to the difference in the timing of revenues and expenditures.

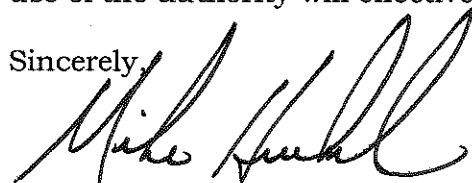
On January 13, 2011, the **Conservation Fund** cash balance closed at a negative \$896 thousand. This negative balance continued through January 31, 2011, when the fund's cash balance closed at a negative \$12.6 million (its intra-month low). The negative balance was due to the difference in the timing of revenues and expenditures.

On January 19, 2011, the **Democracy Trust Fund** cash balance closed at a negative \$300 thousand (its intra-month low). This negative balance continued through January 31, 2011, when the fund's cash balance closed at a negative \$300 thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

The General Fund, Medical Assistance Trust Fund, Police and Fire Protection Fund, Petroleum Inspection Fund, Conservation Fund, and Democracy Trust Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Huebsch", written over a horizontal line.

Mike Huebsch
Secretary of Administration